GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA

UNSTARRED QUESTION NO:2946
ANSWERED ON:06.12.2007
PRODUCTION OF AMMONIUM SULPHATE
Thomas Shri P.C.

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) Whether Ammonium Sulphate is being produced by some of the public sector fertilizers companies;

(b) If so, the details of production of Ammonium Sulphate during each of the last three years, Unit-wise;

(c) The cost of production of Ammonium Sulphate, Unit-wise;

(d) The comparative data of cost of production of each major product being produced in Fertilizers and Chemicals Travancore Ltd.(FACT) and other fertilizer PSUs in the country;

(e) The reasons for heavy cost of production in FACT; and

(f The steps being taken to reduce the cost of production of major products in FACT?

Answer

THE MINISTER OF STATE IN THE MINISTRY OP CHEMICALS & FERTILIZERS AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS(SHRI B.K. HANDIQUE)

(a) Yes Sir. Ammonium Sulphate is produced by Fertilizers and Chemicals Travancore Ltd. (FACT), which is a central public sector enterprise. Another producer of Ammonium Sulphate is Gujarat State Fertilizers Corporation Limited (GSFC), in which the share holding of the State Government of Gujarat is 38.4%.

(b) The details of production of Ammonium Sulphate by FACT during the last three years is as under:-

Year	Production
2004-05	200564 MT
2005-06	172986 MT
2006-07	183490 MT

(c) Cost of Production per MT of Ammonium Sulphate by FACT is around Rs.9100/-

(d) The major products being produced in FACT are Factamfos 20:20 (NPKS : 20:20:0:13) and Ammonium Sulphate which are fertilizers and Caprolactam which is an industrial chemical.There is no other central PSU in the country producing these products. However, GSFC also produces Ammonium Sulphate and Caprolactum. For FACT, the approximate costs of production per MT, for Ammonium Sulphate is Rs.9100/-, for Factamfos Rs. 12400 and for Caprolactam Rs. 1.03 lakh. For GSFC the approximate costs of production per MT, of Ammonium Sulphate is Rs.7500/- and for Caprolactam, Rs.86000/-.

(e)& (f) The heavy cost of production in FACT can be attributed to use of costlier inputs like naphtha as feedstock which is about five times costlier than natural gas, since natural gas is not available at Cochin. Besides, in the past few months there has been a steep rise in the input costs of other raw materials, such as sulphur and rock phosphate.With a view to reducing the cost of production, FACT has : implemented. a scheme for low load operation of ammonia plant at their Udyogmandal Division, producing only synthesis gas required for Caprolactam plant, besides, using imported ammonia whenever it is economically viable.